

## NATURE OF FINANCIAL GLOBALIZATION

Young scientist Maksym Vilga  
Supervisor Olga Chubukova  
Kyiv National University of Technologies and Design

At the present stage of the world economy the international finance has become the main driving force of globalization. Financial globalization is considered as free and efficient flow of capital between countries and regions, global financial markets functioning, implementation of global financial strategies of transnational corporations and transnational banks. Globalization is the process of the world economy transformation into a single market for goods, services, capital, labor and knowledge, the progressive development. There are several factors of globalization:

- economic - the intensification of international flows of goods, services, capital, labor and technology;
- technological - the progress in communication technologies, increased exchange pace of economic, financial, technical information, which created opportunities for more rapid and effective industrial, commercial, scientific and technical problems solving; qualitatively new vehicles appearing, that provided lower costs of transportation;
- international - enhance the role and impact of international economic organizations that contribute to the unification of the requirements of the global economy social - behavioral similarity, international labor migration intensification;
- political - increasing the level of people's movement freedom and the movement of goods and resources due to simplification of border crossing.

Financial globalization has become the most important sphere the of globalization effect in the world. Banking institutions have become the main engine of globalization. As the main actors of financial market they open branches and representative offices both in the leading financial centers to perform the functions of borrowing, lending, investment, and in developing countries.

The globalization level in the financial sector is expedient to determine by the volume of capital that is outside the country of origin in the form of foreign assets, including direct and portfolio investments (non-debt and debt securities), bank and interstate credits.

Financial globalization has positive and negative effects and consequences. The positive effects of financial globalization are:

- high mobility of capital;
- reducing the deficit of financial resources in the world;
- increased competition in the domestic financial markets;
- versatility of the financial market;
- high global standards of goods and services;
- computerization and informatization.

The negative consequences of financial globalization include the increasing dependence of developing countries from global financial markets.

Consequently, financial globalization is a process of international financial relations and national financial markets unification into one global system and their subsequent transformation into one international financial center. It should be mentioned that the more powerful the country's financial system is, the more positive results it can get from the process of globalization. At the stage of development and establishment the countries should develop the policy which can resist financial globalization and prevent the negative consequences of this process at the national level.